



The Chief Executive Officer
Electricity Regulatory Authority
P. O. Box 10332
Kampala



Date:
22 August 2018

Enquiries:
Stephen Byaruhanga

Tel: +256332240400

Dear Madam,

APPLICATION FOR THE MODIFICATION OF LICENSE NO. 018 FOR THE PERIOD 2019- 2022

We refer to your letter dated 17th August 2018 in respect to our GOMC proposal for 2019 to 2022 and License No.018 (the 'License') issued to us for generation and sale of electricity for the period 2015-2018.

Pursuant to the provisions of Section 44 of the Electricity Act, 1999 (Chapter 145 laws of Uganda), the Electricity Regulatory Authority we hereby apply for the amendment of Eskom Uganda Limited's License No. 018 for the period 2019-2022 as follows:

a) Provisions of the License that require modification

1. Schedule V of the License be deleted and replaced with the following GOMC for the four year period 2019-2022:

Proposed Generation Operation and Maintenance Costs (GOMC) for the period 2019-2022

GOMC ITEMS	2019	2020	2021	2022
Core Operations & Maintenance (UGX)	28,251,230	26,367,531	29,394,917	34,988,208
Personnel Costs (UGX)	17,429,761	17,955,899	18,276,043	22,433,113
General Admin costs (UGX)	12,656,662	11,133,442	11,909,873	13,378,734
Management fees (UGX)	2,280,001	2,280,000	2,280,001	2,850,000
Sub Total (UGX000)	60,617,653	57,736,872	61,860,834	73,650,056
10% Contingency	6,061,765	5,773,687	6,186,083	7,365,006
Proposed Grand Total GOMC (UGX 000)	66,679,419	63,510,559	68,046,917	81,015,061
USD Exchange Rate Used*	3,700	3,700	3,700	3,700
Total GOMC (USD 000)	18,021	17,165	18,391	21,896

**This is a tentative rate. The actual rate to be determined at the end of January 2019*

Eskom Uganda Limited

Kampala Office: Studio House, 2nd Floor, 5 Bandali Rise Bugolobi, Kampala
Tel +256 332 240401, Fax +256 313 280307

Jinja Office: Nalubaale Power Station
P.O. Box 942, Jinja. Tel +256 332 240400, Fax +256 332 280306

Email: admin@eskom.co.ug, www.eskom.co.ug
Registration Number 26021





2. Target Availability

The Target Availability (TA) for the period 2019-2022 under Annex C, Capacity Payments, Clause 1.2 'Definitions 'Target Availability' be amended as follows:

Target Availability (TA) for the period 2019-2022

Year	2019	2020	2021	2022
Plant Availability (%)	96.56%	96.85%	96.90%	97.00%

3. O & M Component

Clause 1.5, 'O & M Component'-Part 1: The Capacity Payment'; Annex C' Tariff and Tariff Adjustments' as modified by Amendment No 2 of the License shall be determined and amended after obtaining the Consumer Price Inflation and average buying and selling exchange rates of the Uganda shillings against the United States dollars for January 2019 as published by Uganda Bureau of Statistics and Bank of Uganda respectively.

4. ANNEX B: Restoration and Reinforcement Plan

- 4.1. Annex B, 'Restoration and Reinforcement Plan should be modified by adding the following provisions.

Estimated Investment requirement for Nalubaale and Kiira Power stations for the period 2019-2022 is as follows:

Years	2019	2020	2021	2022
Total Investments (USD 000)	13,627	6,936	5,393	1,429

- 4.2. The effective date of the Return on Investment should be in line with the effective date of the modified License.

5. Modification effective date

This modification No. 3 to License No. 18 for the generation of electricity should take effect on the **1st April 2019** in line with the agreement year of the original License.

b) Reasons for modification

The current License No. 018 was issued for the period 2015-2018. As we wind up the year 2018, the following year will not have key tariff parameters thereby rendering the condition unduly onerous to execute the license obligation of generating and selling electricity. The tariff parameters need to be set and approved prior to the expiry of the existing ones.

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Handwritten signature



c) Evidence in support of the application

We hereby attach a detailed justification and evidence for the proposed modifications of the stated provisions of the License No. 018.

d) Payment of Application fee

A fee of US\$ 3,500 has been duly remitted onto the bank account of the Authority to aid the processing of our application as evidenced by the attached remittance voucher.

Looking forward to hearing from you on our proposed License Amendments.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Thozama Gangi", with a horizontal line extending to the right.

Thozama Gangi
MANAGING DIRECTOR

Eskom Uganda Limited

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8/23/2018

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Straight2Bank

Print Page Close Window

Batch(es) Printed On 23/08/2018

Status :	Received	No. of Instructions :	1
Batch Reference :	C0011786	Matrix Number :	1
Batched By :	VIOLET	Batch Date :	22/08/2018 18:28:18
Authorised By :	STEPHEN / STEPHEN BYARUHANGA THOZAMA / THOZAMA GANGI	Authorised On :	23/08/2018 14:47:54 23/08/2018 16:00:24
Total Amount (DR BCE) :	13,391,000	Batch Type :	
Total Amount (DR ACE) :	13,391,000		

Debit Currency	Debit Amount	Amount (DR BCE)	Amount (DR ACE)
USD	3,500.00	13,391,000	13,391,000

Note : All the transactions are shown and accessible.

Book Transfer Printed On 23/08/2018

Status :	Processed	Customer Reference :	ERA
Payment Reference :	Q0033187	Batch Reference :	C0011786
Payment/Value Date :	22/08/2018	Import Reference :	
Debit Date :	23/08/2018	BO Reference :	UG5BT180823A00NB
Input By :	VIOLET		
Sub Batch Reference :	1		
Creation Date :	22/08/2018 18:28:12		

Debit Information**Pay from an account**

held in : UG-KLA
Company Name : ESKOM UGANDA LIMITED
Debit Account : SCBLUGKAXXX-8704013878500
By Order of Self :

Payee/Beneficiary Information**Payee/Beneficiary ID :** ERA LICENCE FEE**Pay from an account**

held in : UG-KLA
Account Number : 8705613299800
Bank : Standard Chartered Bank Uganda Limited
Bank Code : SCBLUGKAXXX
Branch Name : STANDARD CHARTERED BANK UGANDA
Branch Code : UGC

Intermediary Bank

Name :
Intermediary Bank Code

TT Beneficiary Bank

Details :**Payee/BeneficiaryName**

: ELECTRICITY REGULATORY AUTHORITY
Address 1 : KAMPALA
Address 2 :
Country : UG-UGANDA
Fax Number :
Email ID :
Tax ID :
Zip Code :
Local Language
Information :
Payee/BeneficiaryName : ELECTRICITY REGULATORY AUTHORITY

Address 1 :
Address 2 :
Address 3 :
Address 4 :

Payment Details

MODIFICATION LICENCE

Local Language : MODIFICATION LICENCE**Payment Memos****Internal Memo :****External Memo :****Amount**

Amount Priority :	Payment Amount	Payment Amount :	3,500.00
Debit Currency :	USD	Payee/Beneficiary	
Currency :	USD	Charge :	0.00
Gross Amount :	3,500.00	Net Amount :	3,500.00
Tax & Discount :	0.00		

Discount & Tax Details

Total Discount & Tax : 0.00**Charges, Miscellaneous****Local Charges :** Me**FX Contract Details****Rate Type :** Not Applicable

8/23/2018

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Exchange Rate : 1.0000000000
Debit Currency : USD
Debit Currency
Equivalent : 3,500.00
